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OFFICE OF THE COMPTROLLER
CITY OF ST. LOUIS



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Comptroller

Internal Audit Section

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September 9, 2008

Sherry Brendell, Director of Finance
Interfaith Residences/Doorways
4385 Maryland Avenue
St. Louis, MO 63108

RE: Fiscal Monitoring Review of Interfaith Residences/Doorways, Community
Development Block Grant (CDBG) – Supportive Housing Program,
Contract # 07-12-03, Contract Amount \$20,000; CFDA #14.218
(Project #2008-CDA31)

Dear Ms. Brendell:

We have conducted a fiscal monitoring desk review on the Interfaith Residences/Doorways (Agency), a not-for-profit organization, CDBG – Supportive Housing Program, for the period July 1, 2007 through December 31, 2007. The scope of a desk review is substantially less than an audit, and as such, we do not express an opinion on the financial operations of the agency. A desk review does not entail a site visit to the Agency.

Our desk review was completed on February 21, 2008. It included a review of the contract and inquiries made with the Agency. The objective of the contract was to provide structured, organized activities in a safe, fun nurturing environment and expand the technology center to bridge existing technology gaps.

The Agency required an A133 audit for fiscal year ended June 30, 2007, because it expended more than \$2,400,000 during the fiscal year in federal funds. The report issued an unqualified opinion.

Opportunity exists for the Agency to comply with the federal including OMB Circular A-133, state and local CDBG requirements. Management's response to the observation noted in this report was received on August 21, 2008 and has been incorporated into the report.

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The following is the observation resulting from our review:

Unsupported Reimbursements – Under the contract with CDA, the Agency is required to submit appropriate documentation to support the expenses requested for reimbursement. In addition, the Agency is required to maintain and make available for review all documentation relating to the contract for at least three years after the final payment or until the program audit findings have been resolved, whichever comes later.

We noted the Agency did not submit to CDA a list of clients served when it requested reimbursements for the expenses incurred for serving these clients.

Recommendation – We recommend the Agency submit to CDA the list of clients served during the review period in order to support the expenses reimbursed by CDA.

Management Response – *We concur with the observation that a list of participants was not submitted to the CDA. As instructed by the City of St. Louis, the lists were submitted to the City of St. Louis (versus (sic) to the CDA). Doorways maintained records of all submissions and all clients served.*

In the future, all documentation will be submitted to CDA. We will continue to maintain copies in our files.

This review was made under authorization contained in Section 2, Article XV of the Charter, City of St. Louis, as revised, and has been conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing* and through an agreement with CDA to provide fiscal monitoring to all grant sub-recipients.

If you have any questions, please contact Internal Audit Section at (314) 622-4723.

Respectfully,


Dr. Kenneth M. Stone, CPA
Internal Audit Executive

cc: Lorna Alexander, Special Assistant for Development, CDA
Jill Claybour, Acting Executive Director, CDA